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MT LEGISLATIVE HISTORY

Chapter 598 1985

Bill (H) 621 S _____ Original bill & hist. ___C

H. Committee on Agriculture, Livestock & Irrigation		S. Committee on Agriculture, Livestock & Irrigati	
Hearing Date(s) Feb 11	✓C	Hearing Date(s) Mar 15	✓C
_____	___C	_____	___C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Feb 11	✓C	Mar 15	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

(To be kept current -- post bills when entering being heard or leaving committee.)

Form

STATUS SHEET

49TH LEGISLATIVE SESSION

COMMITTEE ON AGRICULTURE

HOUSE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CONCURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CURRED DATE
60	1-7-85	1-11-85	1-11-85			1-11-85			
61	1-7-85	1-11-85	1-11-85			1-11-85			
110	1-7-85	1-14-85	1-14-85	1-14-85					
148	1-11-85	1-16-85	1-18-85			1-18-85			
233	1-18-85	1-23-85	1-25-85			1-25-85			
349	1-22-85	1-28-85	1-28-85			1-28-85			
350	1-22-85	1-25-85	1-25-85	1-25-85					
459	1-24-85	1-30-85	1-30-85			1-30-85			
386	1-23-85	TABLED							
486	1-25-85	1-30-85	2-4-85			2-4-85			
506	1-26-85	2-4-85	2-21-85			2-21-85			
512	1-26-85	2-4-85	TABLED						
621	2-1-85	2-11-85	2-11-85			2-11-85			
659	2-4-85	2-13-85	TABLED						
682	2-5-85	2-15-85	2-18-85			2-13-85			
716	2-8-85	2-13-85	2-21-85			2-21-85			

Use a separate sheet for Senate, House Bills, and Resolutions

MINUTES OF THE MEETING
AGRICULTURE COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 11, 1985

The meeting of the Agriculture Committee was called to order by Chairman Schultz on February 11, 1985 at 3:35 p.m. in Room 317 of the State Capitol.

ROLL CALL: Representatives Fritz and Howe were absent. Representative Rapp-Svrcek was excused by the Chairman.

CONSIDERATION OF HOUSE BILL NO. 621: Representative Holliday, District No. 31, sponsor of the bill, stated this bill would allow revising the law relating to asset valuation and bond requirements for grain dealers and warehousemen; permitting an alternative to the bonds; providing uniformity of the financial evaluation provisions for commodity dealers and warehousemen; requiring a 60-day notice of cancellation. She also stated that this is a very simple bill. She then went over the amendment which is;

Page 11, section 6, line 24
Strike: "or warehousemen"

PROPONENTS: Keith Kelly, Department of Agriculture, testified that this bill ran into problems last session. Sometimes bonding was hard to get. This bill allows for other financial instruments. The department would be allowed to accept from license applicants other financial alternatives such as certificates of deposits, in lieu of surety bonding. The proposed changes would provide to the public warehousemen/commodity dealers more options to meet license requirements. He handed the committee Exhibit A which is attached hereto.

Mons Teigen, representing the Montana Stockgrowers Association, testified that this is a bond of three bills. He was thinking that the three bills will correct the problem and that he hopes that it passes.

There being no further proponents present and there were no opponents to the bill, Representative Holliday closed.

DISCUSSION OF HOUSE BILL NO. 621: Representative Jenkins asked Mr. Kelly if on a C.D. can they touch the money without the departments name on it. Mr. Kelly replied that the departments name would also be on the C.D. Representative Jenkins asked Mr. Kelly who would be drawing the

Exhibit 4
HB 621
2-11-85

2/11/85

House of Representatives
Agriculture/Livestock/Irrigation Committee
Time 3:00 P.M., Room 317
Representative Gay Holliday
House Bill 621 - Alternative to bonds; uniform financial evaluation; notice of cancellation

INTRODUCTION

House Bill 621 would allow the department to accept from license applicants other financial alternatives such as certificates of deposits, in lieu of surety bonding. The proposed changes would provide to the public warehousemen/commodity dealers more options to meet license requirements.

In Sections 80-4-506 and 80-4-601, House Bill 621 would standardize the method used to conduct financial evaluations for public warehousemen and commodity dealer. In Sections 80-4-506 and 80-4-601 language indicates that assets must be valued at original cost less depreciation. However, the director may allow asset valuations in accordance with a competent appraisal.

House Bill 621 in Sections 80-4-505 and 80-4-604 would eliminate the accumulative effect of the surety bond for public warehousemen/ commodity dealers. The proposed change would limit the aggregate liability (not to exceed the sum of the bond).

In Sections 80-4-505 and 80-4-604, House Bill 621 would require a 60 day written "Notice of Cancellation" to the department by the surety company before any bond is cancelled.

AMENDMENT

Section 6
Section 80-4-604
Page 11, Subsection (2), Line 24, Strike: or Warehousemen

ADDITIONAL DATA

Minimum Bond Amount - $20,000
Maximum Bond Amount - 1 million
Licenses Issued - 311
(includes PW/CD)

interest off the C.D. He replied that the person whos name the C.D. is in would be.

Representative Ellison stated to the committee most cases a bond would cost a person if he has the assets the bond would cost less than the C.D.

There being no further questions from the committee, the hearing on House Bill No. 621 was closed.

EXECUTIVE SESSION

DISPOSITION OF HOUSE BILL NO. 621: Representative Holliday made a motion to pass the proposed amendment. A question was called for and the amendment PASSED UNANIMOUSLY. Representative Holliday moved to DO PASS AS AMENDED House Bill No. 621. A question was called for and the motion PASSED UNANIMOUSLY. Representative Ellison moved to adopt the statement of intent. The motion PASSED UNANIMOUSLY.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 4:30.

James M. Schultz
JAMES SCHULTZ, Chairman

lcb

DAILY ROLL CALL

~~Agriculture~~ COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date 2-11-85

NAME	PRESENT	ABSENT	EXCUSED
James Schultz, Chairman	X		
Gay Holliday, V-Chairman	X		
Bob Bachini	X		
Dorothy Cody	X		
Duane Compton	X		
Gerry Devlin			
Robert Ellerd	X		
Orval Ellison	X		
Harry Fritz		X	
Ramona Howe		X	
Loren Jenkins	X		
Vernon Keller	X		
Francis Koehnke	X		
John Patterson	X		
Bing Poff	X		
~~Paul Rapp-Svrcek~~			X
Gary Spaeth	X		
Dean Switzer	X		

Please attach to minutes.

VISITORS' REGISTER

AGRICULTURE COMMITTEE

BILL NO. HOUSE BILL 621 DATE FEBRUARY 11 1985

SPONSOR REP. HOLLIDAY

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
R. Bjornson	Mt. Dept of Ag	✓	
Larissa Leibenau	WIFE	✓	
Mons Teigen	MT Stockgrowers Assn	✓	
Ross H. FITZGERALD	M.G.G.A.	✓	
Jeanne Schreuder	MT Grain Elevators	✓	
KEITH KELLY	MT. DEPT. OF AGRI	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

STANDING COMMITTEE REPORT

February 11 19 85

MR. SPEAKER

We, your committee on AGRICULTURE

having had under consideration HOUSE Bill No. 621

FIRST reading copy (WHITE) color

PERMITS ALTERNATIVE TO WAREHOUSEMAN'S AND COMMODITY DEALER'S BONDS

Respectfully report as follows: That HOUSE Bill No. 621 BE AMENDED AS FOLLOWS:

1. Page 11, line 24.
   Strike: "or warehouseman"

AND AS AMENDED,

DO PASS

STATEMENT OF INTENT ATTACHED

February 11, 19 75

STATEMENT OF INTENT FOR HB 621

This statement of intent is required because rulemaking authority is granted to the department of agriculture in sections 1 through 3.

It is the intent of the legislature that the department of agriculture adopt rules to establish alternatives to bonds required for licensing of commodity dealers and warehousemen. The legislature intends that a certificate of deposit, an irrevocable letter of credit, or other similar financial assurance be given, with no right to withdraw the financial assurance without the approval of the department, in order to be an acceptable bond alternative.

It is the intent of the legislature that the bond be given to obligate the surety for only the face amount of the bond regardless of the number of licensing periods for which it continues in effect, unless the department requires an additional bond amount. Likewise, the alternative to the bond must be an amount not to be increased unless changes in operation require additional coverage. Upon termination of the license, the bond alternative may not be released by the department until the statute of limitations has run on the types of claims that could be made or until it can be demonstrated that no claims exist that may be made against it.

Chairman.

STATE PUB. CO.
Helena, Mont.

CHAIRMAN--BOYLAN, PAUL
SECRETARY-TENNESON, RITA
NORMAL SCHEDULE==> SITE: ROOM 413/415 DAYS: M-W-F TIME: 1:00-3:00 P.M.

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES----------	COMMITTEE ACTION----------	REREFERRED TO COMM----	DATE OUT-
HB0401	2/13	3/20		CONCUR		3-20
MANUEL, REX			MAKING RAW MILK TESTING PROGRAM DISCRETIONARY			
HB0459	2/07	2/13		CONCUR		2-13
SWITZER, L. DEAN			REVISING THE LIVESTOCK MARKETING LAWS RELATING TO LICENSES JURISDICTION, ETC			
HB0486	2/08	3/18	3/25	TABLED		
THOMAS, FRED			DEFINING SPOTTED AND DIFFUSE KNAPWEED AND DALM. TOADFLAX AS NOXIOUS WEEDS			
HB0506	3/04	3/22		CONCUR AS AMENDED		3-22
HARPER, HAL			ESTABLISHING NOXIOUS WEED MANAGEMENT TRUST FUND AND PROGRAM			
HB0621	2/16	3/15		CONCUR AS AMENDED		3-15
HOLLIDAY, GAY			PERMITS ALTERNATIVE TO WAREHOUSEMAN'S AND COMMODITY DEALER'S BONDS			
HB0716	3/05	3/11	3/15 3/15	CONCUR AS AMENDED		3-15
THOFT, BOB			GENERALLY REVISING COUNTY WEED CONTROL LAWS			
HB0786	3/04	3/18		CONCUR		3-18
NATHE, DENNIS G.			TO REVISE STATE SURFACE LEASE BID DEPOSIT LAWS			
HJ0015	2/07	3/15		CONCUR		3-15
SCHYE, TED			MONT. AGRIC. EXPER. STATION TO DEVELOP RESEARCH ON SUSTAINABLE AGRICULTURE			
HJ0017	2/07	2/13		CONCUR		2-13
SCHULTZ, JAMES M.			URGES REPEAL OF REQUIREMENT TO MAINTAIN BUSINESS VEHICLE MILEAGE RECORD			
HJ0028	2/22	3/22	3/25 3/25	CONCUR AS AMENDED		3-25
RAPP-SVRCEK, PAUL S.			URGING CONGRESS TO ENACT LAWS SUPPORTING FAMILY FARM AGRICULTURE			
HJ0032	3/04	3/15		CONCUR		3-15
SWITZER, L. DEAN			GRAZING FEES ON CHARLES M. RUSSELL WILDLIFE REFUGE			

MINUTES OF THE MEETING
AGRICULTURE, LIVESTOCK & IRRIGATION
MONTANA STATE SENATE

March 15, 1985

The Agriculture, Livestock & Irrigation Committee meeting was called to order on the above date, in Room 415 of the State Capitol Building, at 1:00 p.m. by Chairman Boylan.

ROLL CALL: All members present.

HB 621: Representative Gay Holliday, HD 31, Roundup. House Bill 621 allows the Department of Agriculture to accept from licensed applicants other financial alternatives such as certificates of deposit in lieu of surety bonding. The proposed changes would provide for the public warehouseman and commodity dealers more options to meet licensing requirements. It would also standardize methods used to conduct financial evaluations for public warehouseman and commodity dealers. The language indicates assets must be valued at original cost less depreciation. However, the record may allow asset evaluation in accordance with a competent appraisal.

PROPONENTS: None.

OPPONENTS: None.

Committee questions: Senator Galt - Would this be bonds for cattle dealers, too, or just warehousemen? Representative Holliday - Just warehousemen.

Senator Lybeck - How about the cattle feeders? Representative Holliday - It is just warehousemen and commodity dealers.

DISPOSITION OF HB 621: John MacMaster, Legislative Researcher, called attention to the Statement of Intent, line 7, Sections 1 through 3. It should say Sections 1-2-6.

Senator Galt moved to amend the Statement of Intent, page 1, line 7, following "1" strike "through 3" and insert ", 2, and 6". Motion carried.

Senator Kolstad moved the Statement of Intent as amended be adopted. Motion carried.

Senator Galt moved HB 621 as amended BE CONCURRED IN. Motion carried.

Senator Galt will carry the bill on the Senate floor.

HJR 32: Representative Dean Switzer, HD 28. This bill was brought about by request of ranchers north of Jordan who graze cattle on the CMR game range and the portion of it which is administered by the Department of Fish, Wildlife and Parks. The Department proposed to raise the grazing fees a dollar this year and the next two years raise fees about another $3.00, bringing them up to $8.75. At the same time, the Bureau of

AGRICULTURE, LIVESTOCK & IRRIGATION COMMITTEE

49th LEGISLATIVE SESSION -- 1985 Date 3-15-85

SENATE SEAT #	NAME	PRESENT	ABSENT	EXCUSED
1	SENATOR GARY AKLESTAD	✓		
27	SENATOR ESTHER BENGSTON	✓		
35	SENATOR JACK GALT	✓		
34	SENATOR H. W. (SWEDE) HAMMOND	✓		
10	SENATOR ALLEN KOLSTAD	✓		
38	SENATOR LEO LANE	✓		
18	SENATOR RAY LYBECK	✓		
31	SENATOR ELMER SEVERSON	✓		
39	SENATOR BOB WILLIAMS	✓		
29	SENATOR MAX CONOVER, V. CHMN.	✓		
50	SENATOR PAUL BOYLAN, CHAIRMAN	✓		

Each day attach to minutes.

COMMITTEE ON AGRICULTURE

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Oppo
Frank Cimrhakl	Cimrhakl Ranch	HJ	X	
T Underwood	MT Farm Bureau	HJR 32	X	
Richard Theltges	Farmer	HJR 15	X	
Jerry Welsh	MSU	HJR 15	X	
[illegible]	MT Mineral	HJR 15	X	
Jack Stanley	Rancher / MT Mines	HJR 15	X	
Jim Sampson	Farm & Dairy	HJR 15	X	
David Olson	AERO	HJR 15	X	
Al Kuhlen	Helena AERO	HJR-15	X	
Ed Butcher	Self - Rancher	HJR-15	X	
K. Bowman	MT Dept	HB621		
[illegible] Murphy	MT. Farmers Union	HJR 15	X	
[illegible] Daggett	MT. Stockgrowers Assn. & Assn of Grazing Districts	HJR 32	X	
[illegible] Berg	Stanford	15	X	
[illegible]	"			

(Please leave prepared statement with Secretary)

March 15 19 85

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 621

third reading copy (blue color)

Holliday (Galt)

PERMITS ALTERNATIVE TO WAREHOUSEMAN'S AND COMMODITY DEALER'S BONDS

Respectfully report as follows: That HOUSE BILL No. 621

be amended as follows:

1. Statement of Intent, page 1, line 7.
Following: "1"
Strike: "through 3"
Insert: ", 2, and 5"

AND AS AMENDED
BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

PAUL F. BOYLAN, Chairman.